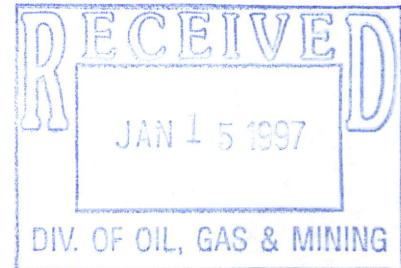


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m/023/007



## North Lily Mining Company



January 9, 1997

D. Wayne Headburg, Permit Supervisor  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas, & Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

RE: Annual Report for Year 1996

Dear Mr. Headburg:

Enclosed is North Lily's annual report on mining operation and is to comply with Rule R647-003-166 and R647-004-121 of the Division's Amended and New Rules, Minerals Reclamation Program.

Sincerely,

Paul C. Spor  
General Manager